

Diversity, Equity & Inclusion Framework Semi-Annual Update

November 17, 2021

Marlene Timberlake D'Adamo
Chief Diversity, Equity & Inclusion Officer

Summary

- Framework and philosophy introduced in March 2021
- Guided by CalPERS beliefs and principles, data, and research
- Five priority areas:



Culture



Talent
Management



Health
Equity



Supplier
Diversity



Investments

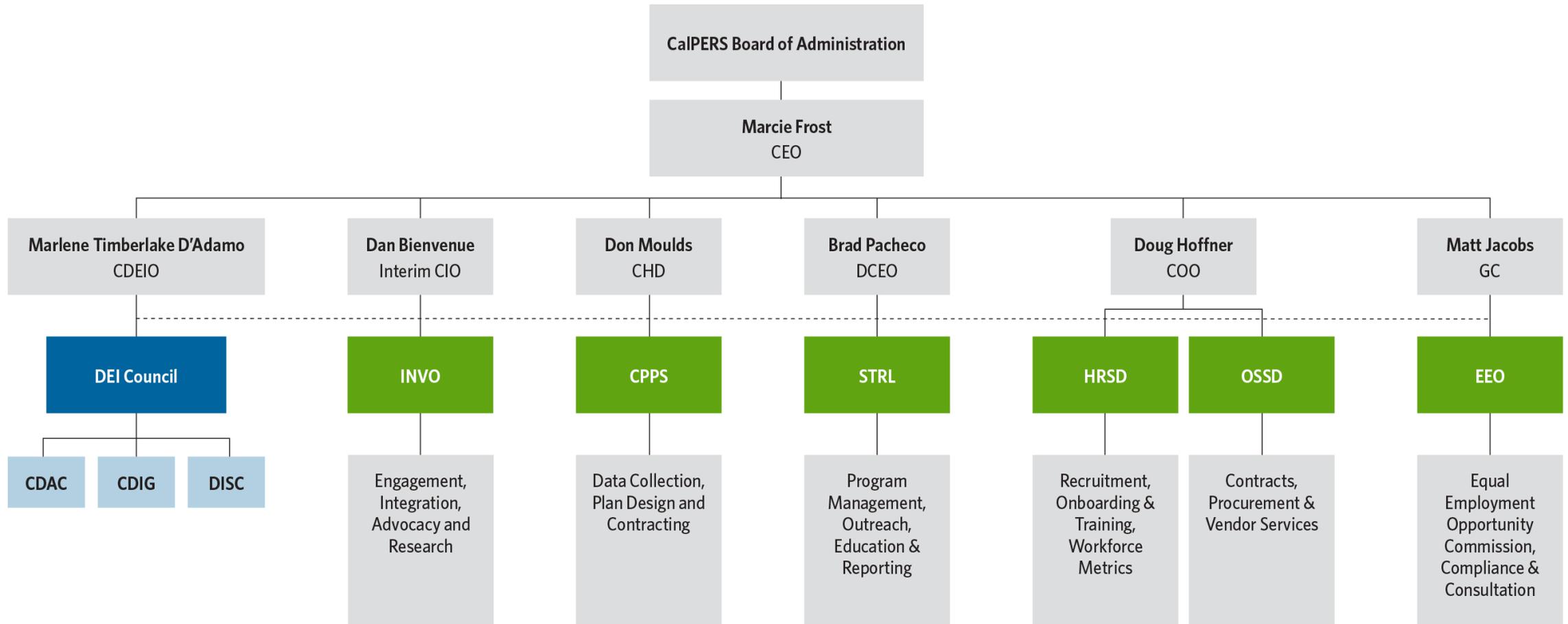
Roles, Responsibilities & Reporting

- Oversight by Chief DEI Officer
- Supported by six core functional areas:
 - Diversity and Outreach Program
 - Human Resources Division
 - Operations Support Services Division
 - Health Account Management Division
 - Investments
 - Equal Employment Office

Roles, Responsibilities & Reporting (cont'd)

- Diversity, Equity & Inclusion Council
 - CalPERS Diversity & Inclusion Group
 - CalPERS Disability Advisory Council
 - Diversity & Inclusion Steering Committee
- Board updates twice annually
 - Commitment to DEI Annual Report – February
 - Semi-annual update – September

DEI Framework Functional Program Alignment





Culture: Recent Accomplishments

- Introduced new Unconscious Bias Seminar: Uncomfortable Conversations
- ERG hosted team discussions on Pride Month, 30th ADA Anniversary, and Strategies for improving accessibility for Deaf and Blind team members
- Dedicated DEI community on Yammer



Culture: Recent Accomplishments (cont'd)

- Daily acknowledgements of observances – *Today we celebrate...*
- Sacramento Community Outreach
- CalPERS Disability Advisory Committee of the Year (2nd year in a row)



Talent Management: Recent Accomplishments

- Enhanced job bulletins with DEI language
- Inclusionary language and redaction software under review
- Hosted Inaugural Pathways for Women Forum on Women's Equality Day
- Identified additional workforce metrics to be established in year one



Health Equity: Recent Accomplishments

- Launched communication campaign on Health Demographic Profiles – more than 36,000 collected, as of mid-October 2021
- Instituted health equity health plan requirements for 2022
 - Race and ethnicity reporting requirements
 - Multicultural Health Standards and Certification
- Proposed Health Benefit Design Changes for 2023
 - Infertility Benefit Definition
 - Reproductive Health Equity Language Updates
- Participation in Department of Managed Health Care Health Equity and Quality Committee



Supplier Diversity: Recent Accomplishments

- Increased participation in supplier survey data to better understand demographics
 - Updated vendor responsibility language
 - Transitioned to online survey
 - Requested vendors participate annually
- Continue to participate in statewide DVBE meetings
- Returning to in-person trade shows



Investments: Recent Accomplishments

- Co-hosted Diversity Forum
- Testimony:
 - House of Representatives on Climate Change and Social Responsibility
 - House of Representatives hearing on “By the numbers: How Diversity Data Can Measure Commitment to Diversity, Equity and Inclusion”



Investments: Recent Accomplishments (cont'd)

- Comment Letters:
 - International Accounting Standards Board
 - Financial Accounting Standards Board
 - H.R. 1277
 - House Financial Services Committee
- Voted against 197 directors at companies where diversity engagements did not result in constructive outcomes
- Director “vote no” campaigns for being non-responsive to CalPERS’ diversity engagements



Investments: Recent Accomplishments (cont'd)

- Supported diversity related to shareholder proposals on median gender and racial pay equity and D&I reporting
- Ran proxy solicitations on some diversity proposals
- Participated in the National Association of Securities Professionals Legislative Panel
- Fully executed Lenox Park contract
- Initiated SIRI III research on human capital management and climate change



Culture: Next Steps

- Continue to raise awareness of DEI Framework
- Centralize enterprise communication through Chief DEI Officer
- Curate and add additional trainings for team members
- Recently launched an Idea Factory challenge focusing on diversity, equity, and inclusion



Talent Management: Next Steps

- Implement Inclusive language and application redaction tools
- DEI Recruitment Practices for team leaders
- Develop DEI Certificate Program



Talent Management: Next Steps (cont'd)

- Pilot Updated Onboarding approach to increase mandatory training compliance in the first 30-days
 - Includes mandatory harassment prevention and other compliance-based DEI trainings
 - Ensures consistent, inclusive onboarding experience for all team members
 - Deploy Perceptyx Onboarding survey to measure new team member engagement and onboarding experience



Health Equity: Next Steps

- Feature importance of Health Demographic Profiles at upcoming CalPERS Benefits Education Events
- Formation of Health Equity Advisory Council
- Continue to collect health demographic profile data



Supplier Diversity: Next Steps

- Increase outreach efforts to promote state procurement opportunities to interested vendors
- Assist vendors in becoming a certified small business/DVBE vendor
- Increase vendor participation completing CalPERS annual survey that captures vendor demographic information



Investments: Next Steps

- Continue to engage companies to improve corporate board diversity and use proxy voting and shareowner campaigns for change
- Continue to partner with CalSTRS, LACERA and SFERS on the California Board Diversity Initiative to improve board diversity of historically underrepresented groups at S&P 500 companies



Investments: Next Steps (cont'd)

- Respond to the Securities and Exchange Commission's Human Capital consultation promoting enhanced human capital reporting
- Respond to the Securities and Exchange Commission's climate proposal and continue to raise issue of environmental racism
- Support Racial Equity Audits during proxy season

Framework Next Steps

- Update in February 2022 with release of Annual Diversity, Equity & Inclusion Report

Questions